

Message Text

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ACTION H-03

INFO OCT-01 NEA-07 ISO-00 SS-07 NSC-06 AID-01 /025 W

----- 040557

R 200812Z FEB 76

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 6331

INFO AMEMBASSY AMMAN

USINT BAGHDAD

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY KUWAIT

AMEMBASSY BEIRUT

C O N F I D E N T I A L SECTION 1 OF 3 DAMASCUS 0912

KUWAIT PASS BAGHDAD

E.O. 11652: GDS

TAGS: OREP (STEVENSON, ADLAI E.) ENRG, BEXP, SY

SUBJECT: CODEL STEVENSON

1. SUMMARY: SENATOR STEVENSON'S 47-HOUR VISIT TO DAMASCUS PRODUCED WARM AND INTERESTED RESPONSE FROM SYRIAN LEADERSHIP, WHICH, FROM PRESIDENT ASAD ON DOWN, MET WITH SENATOR AT LENGTH IN ATTEMPT TO PROVIDE CLEAR PICTURE OF SARG VIEWS ON ME PEACE PROCESS AND DEVELOPMENT OF SYRIAN ECONOMY. CODEL ALSO MET WITH PLO REP AND TRAVELED TO BEIRUT FEB 17 FOR MEETING WITH ARAFAT ARRANGED BY CLOVIS MAKSOUD. SYRIANS STRESSED TIME AND AGAIN WELCOME TO US FIRMS TO DO BUSINESS IN SYRIA, ALONG WITH STRONG HOPE FOR INCREASED US AID TO SYRIA. SYRIANS PARTICULARLY DESIRE US OIL COMPANIES TO WORK IN SYRIA, AND SENATOR PROMISED TO MAKE INQUIRIES OF SUCH FIRMS (PARTICULARLY AMOCO). COMPLETE MEMCONS, UNCLEARED BY CODEL, BEING POUCHED NEA/ARN. END SUMMARY.

2. SENATOR STEVENSON AND LEGISLATIVE ASSISTANT WILLIAM A. BUELL HAD BUSY AND PRODUCTIVE 47-HOUR STAY IN DAMASCUS, CONFIDENTIAL

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INCLUDING SENATOR'S AND AMBASSADOR'S THREE-HOUR MEETING WITH

PRESIDENT ASAD, AND CODEL/EMBASSY MEETING WITH DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS MOHAMMAD HAYDAR, MINISTER OF ECONOMY AND FOREIGN TRADE DR. MOHAMMAD AL-IMADI, AND MINISTER OF PETROLEUM AND MINERAL RESOURCES DR. ADNAN MUSTAFA; IMADI HOSTED FIRST DINNER, AMBASSADOR THE SECOND WITH GUESTS INCLUDING SYRIAN POLITICAL, MILITARY AND PRIVATE SECTOR REPRESENTATIVES. CODEL, THROUGH SARG MFA/PROTOCOL, ALSO ARRANGED MEETING WITH PLO NATIONAL COUNCIL PRESIDENT KHALID AL-FAHUM, AND THEN VIA A SERIES OF CALLS FROM CLOVIS AMKSUD IN BEIRUT, FEB 17 ARRANGED APPOINTMENT IN BEIRUT WITH ARAFAT. SARG PROTOCOL WAS MOST HELPFUL DURING VISIT AND CODEL DEPARTED 0900 FOR SYRIAN LEBANESE BORDER FOR MEETING WITH MAKSOUD AND TRANSPORT TO BEIRUT TOGETHER WITH PALESTINIAN ARMED GUARDS PROVIDED BY MAKSOUD AND HIS INTERMEDIARY, OSMAN B. OSMAN, OF STATE OF TENNESSEE TRADE DEVELOPMENT OFFICE FOR MIDDLE EAST, WHO CAME TO DAMASCUS TO ACCOMPANY CODEL BACK TO BEIRUT. CODEL ALTERED ORIGINAL SCHEDULE IN ORDER TAKE BEIRUT/BAGHDAD FLIGHT EVENING FEB 17.

3. PRESIDENT ASAD:

A. COMMENTING THAT AMERICA'S INTERNAL AFFAIRS AND UPCOMING ELECTIONS "ARE OF GREAT INTEREST TO US," ASAD SAID ARABS ARE CONCERNED THAT BOTH US PARTIES SEEM TO BE RUSHING TO EXPRESS THEIR SUPPORT FOR ISRAEL IN ELECTION CAMPAIGN. AS A RESULT, TWO PARTIES ARE LOSING -- ARABS AND AMERICANS -- AND THE THIRD IS WINNING -- ISRAEL.

B. CONCERNING THE ME PEACE PROCESS, ASAD NOTED THAT BESIDES REFUSING TO DEAL WITH THE PALESTINIAN QUESTION, ISRAEL SAYS OPENLY IT WILL NOT WITHDRAW TO 1967 BORDERS. ASAD SAID HE BELIEVED THAT POWER OF AMERICAN JEWISH COMMUNITY IS COMMONLY EXAGGERATED BUT SUCH EXAGGERATION COMES NOT JUST FROM ARAB SIDE BUT ALSO FROM AMERICANS. AS FOR FUTURE STEPS, ASAD SAID SYRIA'S ATTITUDE TOWARD STEP-BY-STEP IS WELL KNOWN. HE ADDED THAT WHEN HIS AMERICAN VISITORS SAID PLO MUST MOVE BY BEING FIRST TO RECOGNIZE ISRAEL AND THEN ISRAEL WOULD MOVE, THEN SYRIA MUST FOLLOW-ON WITH FURTHER STATEMENTS, ETC., THIS APPEARED TO BE JUST A STP-BY-STEP
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PROCESS IN A DIFFERENT CONTEXT. SUCH A PROCESS, ASAD SAID, WOULD END IN FAILURE. THE US-SPONSORED STEP-BY-STEP PROCESS THAT LED TO SINAI II HAD CREATED A BIG QUARREL BETWEEN EGYPT AND SYRIA, ASAD CLAIMED.

C. AS FAR AS PALESTINIAN RECOGNITION OF ISRAEL IS CONCERNED, ASAD ASKED HOW CAN THEY BE ASKED TO DO THIS AS LONG AS THEY ARE DISPOSSESSED OF HOME AND COUNTRY?

IT WOULD EQUAL TOTAL SURRENDER AND WOULD LEGITIMIZE THEIR OWN
EXPULSION. PALESTINIANS WOULD FIRST HAVE TO BE PUT ON SAME
BASIS AS ISRAELIS THROUGH HAVING "THEIR OWN IDENTITY AND
RIGHTS," THEN ONE COULD ASK THEM TO RECOGNIZE ISRAEL.
ASSUMING PLO WERE TO AGREE TO TALK OF RECOGNITION BEFORE
FOREGOING DEVELOPED, ASAD PREDICTED, PALESTINIAN LEADERSHIP
WOULD BE INSTANTLY ISOLATED AND REPLACED BY OTHER LEADER-
SHIP WITH COMPLETELY DIFFERENT ATTITUDES. A PARTIAL STEP
SUCH AS THIS RECOGNITION, TAKEN APART FROM A COMPREHENSIVE PLAN,
WOULD NOT LEAD TO OTHER ACHIEVABLE PARTIAL STEPS, ASAD
CONCLUDED. PRESIDENT URGED AMERICAN PUBLIC TO READ JANUARY
VETOED UNSC RESOLUTION AS IT CONTAINED THE OVERALL
PLAN TO WHICH ASAD HAD BEEN REFERRING IN HIS DISCUSSION.
ALL SEPARATE ISSUES CAN BE DISCUSSED AND RESOLVED WITHIN
THAT PLAN.

D. ASAD CITED SYRIA'S EFFORTS IN LEBANON AS AN EXAMPLE OF
HOW TO DEVELOP AND IMPLEMENT AN OVERALL PLAN, STRESSING THAT IF
SYRIA HAD ATTEMPTED STEP-BY-STEP PROCESS IN LEBANON, IT NEVER
WOULD HAVE SUCCEEDED. EVEN IF CERTAIN ELEMENTS OF A PROBLEM
CAN BE RESOLVED, A PARTIAL SOLUTION IS CERTAIN TO CREATE
NEW PROBLEMS AND BLOCK PROGRESS, ASAD CONCLUDED.

E. (COMMENT: WE WERE STRUCK THAT THROUGHOUT THIS THREE-
HOUR MEETING, NEVER ONCE DID ASAD RESORT TO HIS NORMAL POSITION
THAT HE COULD NOT SPEAK FOR THE PLO AND THAT THE PLO WOULD
HAVE TO SPEAK FOR ITSELF.)

4. DEPUTY PRIME MINISTER HAYDAR:

A. CODEL HAD LIVELY 90-MINUTE EXCHANGE WITH HAYDAR,
WHO OPENED UP WELL TO SENATOR'S WARM INTEREST IN
SYRIA. HAYDAR SAID IT WAS NO SECRET THAT
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SYRIA WISHED TO STRENGTHEN ITS RELATIONS WITH US, AND
HE APPRECIATED EFFORT OF AMERICAN VISITORS TO COME AND LEARN
MORE ABOUT HIS COUNTRY; HE ENCOURAGED MORE CODELS, AND
HE SPECIFICALLY ENCOURAGED "THOSE PARTIAL TO ISRAEL" TO
VISIT SYRIA.

B. HAYDAR EARLY ON STRESSED HE WANTED TO TAKE OPPOR-
TUNITY OF SENATOR'S VISIT TO EXPRESS HIS AND SARG'S DIS-
APPOINTMENT IN MINIMAL REACTION AND INTEREST OF AMERICAN
OIL EXPLORATION COMPANIES IN SYRIA, NOTING THAT SYRIA
HAD BEEN PUSHING HARD FOR PAST 18 MONTHS TO GET SUCH COM-
PANIES TO COME AND WORK HERE. ONLY US COMPANY TO SIGN HAD
BEEN TRIPCO FOR OFFSHORE CONCESSION AND ITS EFFORTS WERE

"FALTERING," HAYDAR SAID. (COMMENT: TRIPCO'S INITIAL

SEISMIC RESULTS WERE NOT PROMISING AND SYRIANS NOW AWAITING RESULTS OF SECOND SEISMIC EFFORT PRIOR TO MARCH 1 DEADLINE FOR TRIPCO TO EITHER DROP CONCESSION OR COMMIT ITSELF TO DRILLING PROGRAM.) HAYDAR STRESSED HE WAS ASKING SENATOR TO ENCOURAGE US OIL COMPANIES TO COME AND WORK IN SYRIA, AS HAYDAR BELIEVED HAD BEEN THE CASE IN EGYPT. SENATOR, NOTING HIS ROLE AS CHAIRMAN OF OIL AND GAS SUBCOMMITTEE, PROMISED TO MAKE INQUIRIES WITH US FIRMS AND TO ENCOURAGE THEM TO INVESTIAGE OPPORTUNITIES FOR EXPLORATION IN SYRIA. HE ALSO NOTED GREAT DEMAND/PRESSURE ON COMPANIES FOR EXPLORATION AND SHORTAGES OF EQUIPMENT AND MANPOWER AND ALSO NEED FOR PRERCEPTION ON PART OF COMPANIES OF STABILITY AND INVESTMENT ENCOURAGEMENT AS A FACTOR IN DECISIONS AS TO WHERE TO PUT EXPLORATION MONEY. IN RESPONSE TO HAYDAR'S SPECIFIC REQUEST, SENATOR PROMISED TO DISCUSS SYRIAN PETROLEUM SECTOR WITH AMOCO CORPORATE HEAD, GIVEN AMOCO'S HEADQUARTERS IN CHICAGO.

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AMEMBASSY BEIRUT

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C. HAYDAR SAID SENATOR HAD TWO TASKS UPON HIS RETURN TO U.S: (1) ENCOURAGE AMERICAN COMPANIES RE OPPORTUNITIES IN SYRIA, AND (2) TO SPEED UP THE PEACE PROCESS IN

MIDDLE EAST. ON LATTER, HAYDAR SAID "LEAPS" SHOULD NOW FOLLOW STEP-BY-STEP APPROACH; FORA WERE NOT IMPORTANT ("GENEVA, UN, OR ANYWHERE ELSE"), HEART OF MATTER WAS TO MAKE IMPORTANT PROGRESS SOON. PEACE PROCESS IN ME HAS PRAMETERS LONG FAMILIAR, HAYDAR CONTINUED, AND VERDICT IS KNOWN: FULL IMPLEMENTATION OF UN RESOLUTIONS.

D. ON LEBANON, HAYDAR AGREED WITH SENATOR THAT SITUATION IS STABILIZING NOW, AND THAT SARG WAS WORKING TOWARD THAT END. MAIN PROBLEM IS ALREADY SOLVED, BUT NATURE OF POLITICS IN LEBANON IS "INDIVIDUALISTIC" AND SOME SURPRISES MAY YET EMERGE. ALL PARTIES INVOLVED HAVE LEARNED LESSONS, BUT "FORCES FOR DISTURBANCE ARE LARGE," PARTICULARLY THOSE OUTSIDE LEBANON. AT SENATOR'S REQUEST HAYDAR CLARIFIED HE HAD NOT MEANT TO IMPLY USG HAD PLAYED UNDERCOVER ROLE IN LEBANON INCITING TROUBLE, NOTING SYRIA WELL AWARE USG HAD CONFIDENTIAL

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NOT PLAYED SUCH A ROLE BUT HAD SUPPORTED SYRIA'S PEACE-MAKING EFFORTS. SARG HAD SEEN NOTHING TO THE CONTRARY. WHAT HAYDAR MEANT, HE ADDED, WAS THAT FOREMOST POTENTIAL TROUBLEMAKER WAS ISRAEL (IN ORDER TO DISTRACT WORLD OPINION FROM TRUE EFFORTS TOWARD PEACE IN ME) AND "SOME OTHER ARAB STATES WHICH EVERY NOW AND THEN TRY AND PLAY SOME GAMES IN LEBANON."

E. AS FOR PROSPECTS FOR EGYPTIAN/SYRIAN RECONCILLIATION, HAYDAR SAID TWO COUNTRIES ARE ALLIES AND ARE MEMBERS OF A "UNION" AND ONLY PROBLEM BETWEEN TWO IS SINAI II AGREEMENT: GOE SEES AGREEMENT AS STEP TOWARD PEACE, SARG SEES IT AS STEP TOWARD WAR AND UNLESS NEW RESULTS TOWARD OVERALL PEACE COME FROM SINAI II, THIS MISUNDERSTANDING WILL CONTINUE. (HAYDAR ALSO STATED GOE IS PAYING ITS PRESS/MEDIA TO ATTACK SYRIA.) ISRAEL GAINED TOO MUCH AT EXPENSE OF EGYPT AND OTHER ARAB COUNTRIES WITH SINAI II. HAYDAR SUMMARIZED: PROBLEM IS NOT SINAI, GOLAN OR ISRAEL/ SYRIA -- THE MAJOR QUESTION CONCERNS THE PALESTINIANS.

F. RE PALESTINIANS AND RUMORS OF SPLITS AND LACK OF IMPLEMENTATION OF PLO/SARG JOINT COMMAND, HAYDAR SAID SUCH STORIES ARE MEANT TO DIVIDE PLO. PLO HAS ITS POLICIES AND SYRIA DOES NOT WANT TO INTERFERE OR CHANGE THEM; THERE IS NO NEED TO CHANGE PRESENT PLO LEADERSHIP. HAYDAR SAID REPORTS THAT PLO WAS AGAINST RECONVENING OF JORDANIAN NATIONAL ASSEMBLY WERE FALSE. AS FOR SARG/ PLO JOINT COMMAND, HAYDAR NOTED SYRIAN AUTHORITIES MEET CONTINUALLY WITH PLO LEADERSHIP; THERE IS CLOSE COORDINATION ON JOINT COMMAND AND OTHER MATTERS. HOWEVER, SARG HAS BEEN BUSY WITH LEBANESE CRISIS ("AND PLO EVEN MORE SO")

AND ALSO UNSC. HAYDAR CLEARLY IMPLIED EXACT DEFINITION OF JOINT COMMAND HAS NOT YET BEEN ACCOMPLISHED BECAUSE OF ATTENTION SARG NEEDED TO PAY ELSEWHERE.

G. UNDOF RENEWAL AT END OF MAY: HAYDAR SAID IT HAS NOT YET BECOME A SUBJECT OF ATTENTION IN SARG, IT IS TOO EARLY: "THIS SUBJECT WILL BE DISCUSSED WHEN IT IS IN OUR (SYRIAN) INTEREST TO DISCUSS IT." IN ANY EVENT, HAYDAR CONTINUED, UN PRESENCE CERTAINLY CANNOT PREVENT A WAR; IT IS ONLY A MORAL PRESENCE TO OBSERVE BOTH SIDES. HAYDAR
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ADMITTED SARG "STIRRED" THE UNDOF MATTER SO THAT WORLD OPINION WILL NOT FORGET SYRIAN POSITION ON ME PEACE QUESTIONS, AND TO REMIND ISRAEL AND WORLD THAT ISRAEL IS OCCUPYING SYRIAN LAND ("AS ISRAEL HAS A WEAK MEMORY AND TENDS TO FORGET UN DECISIONS").

H. TO SUGGESTION RE POSSIBILITY OF INCREASING SOVIET INFLUENCE IN ME, HAYDAR QUICKLY COUNTERED: "BUT YOU (USG) ARE TO BLAME FOR THIS; BEFORE THE PALESTINIAN PROBLEM, THERE WAS NO SUCH SOVIET INFLUENCE IN ME; IF ISRAEL CONTINUES WITH ITS POLICIES -- SUPPORTED BY US -- THEN SOVIET INFLUENCE WILL GROW". HAYDAR CITED "EVEN KING HUSSEIN" IS BEING COURTED FOLLOWING HAWK MISSILE PROBLEM. ARABS, HOWEVER, WILL NEVER BE COMMUNIST. "BUT WE DO NEED ARMS AND SOVIETS UNDERSTAND THIS." WHILE SOVIETS TRYING THEIR BEST TO INCREASE INFLUENCE, NUMBER OF COMMUNISTS IN ME HAS NOT INCREASED. HAYDAR CLAIMED THAT DURING NASSER PERIOD AND HIS FRIENDLY RELATIONS WITH USSR, COMMUNISTS IN EGYPT WERE NOT ACTIVE; THEY ARE NOW, HOWEVER, WITH INCREASING SADAT/USG FRIENDSHIP. HAYDAR ALSO CLAIMED THAT DURING SARG/GOE UAR UNION, SYRIAN COMMUNISTS HAD TEN TIMES MORE POWER THAN THEY HAVE TODAY UNDER ASAD IN SYRIA; EVEN IN LEBANON, COMMUNIST POWER IS MORE THAN IN SYRIA AND NO MATTER WHAT LEBANESE LEADERSHIP IS IN POWER, HAYDAR COULD NOT IMAGINE COMMUNISTS IN LEBANON BEING "PUNISHED" AS THEY CAN IN SYRIA. RUMORS THAT SYRIA AND EGYPT ARE "COMMUNIST" ARE SPREAD BY ISRAEL (SO IT CAN OBTAIN MORE US AID) AND THE USSR.

I. SENATOR COMPLIMENTED HAYDAR'S ELOQUENCE AND PERSUASIVENESS, THANKED HIM FOR GIVING SO MUCH OF HIS TIME AND EXPRESSED HOPE THAT HAYDAR COULD VISIT THE US SENATE. HE ALSO AGAIN PROMISED TO CALL AMOCO AS SOON AS HE RETURNED TO THE US.

5. PETMIN MUSTAFA:

A. MINISTER PROVIDED BACKGROUND ON SARG DECISION TO

ATTRACT WESTERN OIL COMPANIES TO WORK IN SYRIA AND
CHANGE THIS WAS FROM PREVIOUS DEPENDENCE ON EASTERN
EUROPE. MUSTAFA SAID HE HAD CABLED OVER 60 COMPANIES --
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HALF LOCATED IN US -- BUT PROGRESS IN ATTRACTING FIRMS HAD
BEEN SLOW, AND PARTICULARLY DISAPPOINTING WITH US COMPANIES.
MUSTAFA CLAIMED AMOCO HAS BEEN VERY STIFF WITH ITS TERMS;
SYRIA WANTED TO BENEFIT BOTH FOREIGN COMPANIES AND SYRIA
AND HE THEREFORE HOPED HE COULD HAVE FURTHER DISCUSSIONS
WITH AMOCO.

B. MUSTAFA CLAIMED HE HAD DISCUSSED QUALITY AND AMOUNT
OF BASIC SYRIAN GEOLOGICAL AND OTHER DATA WITH EGYPTIAN
MINPET HILAL AND MUSTAFA KNEW THAT SYRIA'S DATA WERE
BETTER TECHNICALLY AND AS REGARDS POTENTIAL FOR SUCCESSFUL
EXPLORATION. MUSTAFA SAID HILAL HAD GOTTEN AMOCO INTO EGYPT
WITHOUT ANY DATA. THUS, IN MUSTAFA'S OPINION, SYRIA'S
LACK OF SUCCESS MUST BE BASED ON POLITICAL GROUNDS RATHER
THAN ECONOMIC OR TECHNICAL CONSIDERATIONS. MUSTAFA SAID
SOLUTION IS POSITIVE US EFFORT TOWARD ME PEACE AS THIS WOULD
CONVINCE COMPANIES THEY COULD DO BUSINESS IN SYRIA.

C. TOUCHING ON OPEC AND OAPEC, MINISTER SAID GROUPS
WERE ATTEMPTING TO NORMALIZE RELATIONS BETWEEN PRODUCERS
AND CONSUMERS AND HE ASKED WHY USG NOW PUSHING IEA WHICH
WAS DISTURBING THIS DIALOGUE. (CODEL AND EMBASSY TRIED TO
CONVINCE HIM OTHERWISE. THIS IS FIRST COMMENT WE HAVE
HEARD FROM PETROLEUM MINISTRY OFFICIALS RE IEA.) MUSTAFA
SAID MANY OPEC MEMBERS WERE IN FAVOR OF SYRIAN MEMBERSHIP
NOW THAT TEN MILLION METRIC TON PRODUCTION MARK HAD BEEN
ACHIEVED; SYRIA'S APPLICATION, SPONSORED BY IRAN, WAS
SUPPOSED TO HAVE BEEN CONSIDERED AT ABORTED VIENNA OPEC
MEETING, AND THEREFORE SHOULD BE ON AGENDA OF NEXT OPEC
MEETING.

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D. MUSTAFA EXPRESSED CONFIDENCE THAT SYRIAN/IRAQI TRANSIT AGREEMENT WOULD BE WORKED OUT SOON (SARG NEGOTIATORS, MINFIN SHARIF AND DEPPETMIN NABULSI, RETURNED FROM TWO DAYS IN BAGHDAD FEB 15), AND CLAIMED IRAQ WANTED TO INCREASE CAPACITY OF LINE TRANSITING SYRIA TO EASTERN MED.

E. WHEN ASKED ABOUT RECENT LOCAL PRESS REPORTS CONCERNING URANIUM DISCOVERY IN SYRIA, MUSTAFA SAID IT WAS TRUE AND HAD BEEN REPORTED AND ANALYZED AS PART OF WORK DONE BY BRITISH FIRM (HUNTING GEOLOGY AND GEOPHYSICS) WHICH RECENTLY COMPLETED SURVEY WORK IN SYRIA IN ORDER TO ADVISE SARG ON DIRECION OF MINERAL DEVELOPMENT OVER NEXT FIVE YEARS. URANIUM IS ASSOCIATED WITH SYRIAN PHOSPHATE DEPOSITS IN CENTRAL SYRIA (PALMYRA AREA) AND UPGRADING OF PRESENT PHOSPHATE EXPLOITATION MIGHT BE DIRECTED ALSO TOWARD URANIUM EXTRACTION AS WORLD MARKET FOR URANIUM LOOKED BRIGHT, MUSTAFA CONCLUDED.

F. MUSTAFA ASSURED SENATOR SARG WAS VERY SERIOUS IN CONFIDENTIAL

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ATTEMPTING TO ATTRACT US OIL COMPANIES TO WORK IN SYRIA, WOULD PROVIDE SUCH COMPANIES WITH GUARANTEED PORTION OF PRODUCTION AND ASSURANCE OF CONTINUED SUPPLY, AS HE SAID WAS CASE WITH TRIPCO CONTRACT. SENATOR ASSURED MUSTAFA HE WOULD BE IN TOUCH WITH AMOCO.

6. MINISTER OF ECONOMY IMADI:

A. SENATOR COMPLIMENTED SIGNS OF ECONOMIC DEVELOP-

MENT HE HAD SEEN IN SYRIA AND SYRIAN ADVERTISEMENTS IN US PAPERS REGARDING COUNTRY'S ECONOMY. IMADI GRACIOUSLY RECALLED WARM MEMORIES HE HAD OF SENATOR'S FATHER DURING TIME IMADI WAS STUDYING IN US IMADI STRESSED INCREASINGLY RAPID PACE OF ECONOMIC DEVELOPMENT IN SYRIA, HELPED BY ASSISTANCE FROM ARAB COUNTRIES, WORLD BANK AND OTHER DONORS.

B. IN RESPONSE TO QUESTION ON BANKING, IMADI SAID SARG HAD MADE NO DECISION YET ON PERMITTING FOREIGN BANKING OPERATIONS IN SYRIA; FOREIGN BANKS NO DOUBT WOULD BE PERMITTED IN FREE ZONES IN SYRIA IF THEY WISHES TO LOCATE THERE.

C. IMADI SAID US-SYRIAN RELATIONS WERE DEVELOPING WELL, BUT SLOWLY. HE SAID SYRIA WANTED MORE AMERICAN BUSINESSMEN TO VISIT SYRIA; BUSINESS IS MOVING SLOWLY BUT SURELY AND HE HOPES TO SEE INCREASE. ME PEACE WOULD, OF COURSE, HELP AND "SYRIA IS INTERESTED IN ANY STEP TOWARD PEACE."

D. CODEL AND IMADI DISCUSSED NEW ANTI-DISCRIMINATION PROCEDURES IN US AND IMADI SAID HE HOPED US COMPANIES WOULD HAVE A CLEARER IDEA OF WHAT BOYCOTT REALLY MEANS, E.G., "WE DON'T BOYCOTT COMPANIES JUST BECAUSE A COMPANY MAY DEAL WITH ANOTHER COMPANY THAT IS BOYCOTTED." IMADI PROMOSSED TO EXPEDITE RESPONSES FROM ARAB LEAGUE BOYCOTT OFFICE HEADQUARTERS IN DAMASCUS IF ANY US COMPANY SHOULD HAVE A PROBLEM IN CLARIFYING DECISIONS OF BOYCOTT OFFICE AND SHOULD A COMPANY WANT IMADI'S HELP. HE AGREED BOYCOTT OFFICE COULD MAKE MISTAKES AND HE WANTED TO HELP RECTIFY ANY ERRORS.

E. AS FOR SYRIAN INDUSTRIAL SECTOR, IMADI SAID SARG
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PINNED GREAT HOPES ON TRIPCO OIL EXPLORATION, WAS STUDYING ASSOCIATED GAS UTILIZATON (ALTHOUGH QUANTITY NOW NOT LARGE), WAS CAREFULLY LOOKING AT FUTURE EXPLOITATION OF SYRIA'S LOW QUALITY, HIGH QUANTITY IRON ORE RESERVES AND HOPED TECHNOLOGY AND SERVICES OF US FIRMS WOULD BECOME MORE INVOLVED IN SYRIA, AND THAT SO ALSO WOULD EXPORT-IMPORT BANK.

F. ON POSSIBILITY OF OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) AGREEMENT, IMADI SAID EMBASSY WOULD SOON BE HEARING FROM INTERMINISTERIAL COMMITTEE SARG WAS SETTING UP TO RESPOND TO OUR REQUEST (EMBASSY NOTE) FOR INITIAL DISCUSSIONS CONCERNING OPIC BILATERAL AGREEMENT. IMADI NOTED SYRIA ALREADY WAS PARTY TO INTER-ARAB INVESTMENT GUARANTY PROGRAMS, INVESTMENT INSURANCE AND ARBITRATION PROCEDURES. HE SAID USG WAS SECOND COUNTRY TO ASK FOR SIMILAR

AGREEMENTS (WEST GERMANY WAS OTHER).

G. RE USG ASSISTANCE TO SYRIA, IMADI SAID ALTHOUGH NOT LARGE IN DOLLAR AMOUNT, IT HAS BEEN MOST IMPORTANT IN PROVING TO SYRIANS THAT THE AMERICANS REALLY WERE IN SYRIA, WANTED TO HELP ITS ECONOMIC DEVELOPMENT AND WERE ACTING OFFICIALLY IN THIS REGARD. THIS IS HELPFUL SIGN TO PRIVATE US COMPANIES. OUR AID HELPED TO NORMALIZE RELATIONS BETWEEN OUR TWO COUNTRIES AND IMADI STRONGLY HOPED THAT LEVEL OF OUR AID WOULD INCREASE AND NOT DECREASE. SYRIA WANTS TO SEE PROOF OF OUR EVEN-HANDED APPROACH IN ME AS EVIDENCED BY OUR AID LEVELS TO COUNTRIES IN AREA.

7. HIGHLIGHTS OF BUELL-PREPARED NOTES ON MEETING WITH PLO'S AL-FAHUM:

A. FAHUM DISCUSSED MUCH OF PLO BASIC ORGANIZATIONAL STRUCTURE AND NOTED THAT NEXT NATIONAL PLO COUNCIL WILL PROBABLY RESULT IN INCREASED REPRESENTATION TO AROUND 250, IN ORDER TO INCLUDE REPRESENTATION FROM TWO GROUPS: (1) ONE MILLION PALESTINIANS IN JORDAN, I.E., THE "EST BANK" (SINCE RABAT, HUSSEIN HAS WITHDRAWN HIS OBJECTION TO PARTICIPATION); 16 REPRESENTATIVES WILL BE ELECTED; AND (2) 100,000 PALESTINIANS IN SAUDI ARABIA (NOW THAT SAG RECOGNIZES PLO) AND OTHERS IN QATAR, IRAQ AND "ABROAD"

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(WHICH HE SAID INCLUDES US AND LATIN AMERICA). PLO NOW HAS 102 OFFICES ABROAD.

B. UNIFIED SYRIAN/PLO JOINT MILITARY COMMAND IS STILL UNDER DISCUSSION. PLO IS COMPLETELY OPPOSED TO SINAI ACCORD. ON NEGOTIATIONS WITH ISRAEL, FAHUM SAID THAT PLO PRECONDITION IS THAT IF ISRAEL IS TO BE ACKNOWLEDGED AS A STATE, IT MUST FIRST DEFINE BORDERS OF THAT STATE, WHICH MUST BE PRE-1967 FRONTIERS.

8. FULL MEMCONS ON ABOVE MEETINGS BEING POUCHED NEA/ARN FOR DELIVERY TO SENATOR UPON HIS RETURN FROM CURRENT TRIP. ABOVE REPORT AND MEMCONS NOT RPT NOT CLEARED BY CODEL PRIOR TO DEPARTURE FROM DAMASCUS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, CODELS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976DAMASC00912
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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Handling Restrictions: n/a
Image Path:
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Legacy Key: link1976/newtext/t19760231/aaaabasw.tel
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by CollinP0>; APPROVED <27 JUL 2004 by saccheem>
Review Markings:

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Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CODEL STEVENSON
TAGS: OREP, ENRG, BEXP, SY, (STEVENSON, ADLAI E)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006